



Bulletin

2004-09B

TO: Assessors, Collectors and Treasurers

FROM: Gerard D. Perry, Acting Deputy Commissioner
Division of Local Services

DATE: April 2004

SUBJECT: Deferral Forms

This *Bulletin* provides you with new and revised forms approved by the Commissioner of Revenue under G.L. Ch. 58 §3. These forms are for use in administering the temporary financial hardship deferral under G.L. Ch. 59 §5(18A). See Property Tax Bureau Informational Guideline Release No. 04-208, *Temporary Financial Hardship Property Tax Deferral* (April 2004).

Clause 18A Deferral Forms

We are issuing a new series of five state tax forms for assessors, collectors and treasurers to use for Clause 18A financial hardship deferrals. Three of the forms are new, and two are combination forms that may be used for both Clause 18A and 41A deferrals. The new forms are:

- **Deferral Application** (State Tax Form 99) – The application taxpayers file with the assessors in order to obtain the deferral is very similar to the application for a financial hardship exemption under Clause 18 and requests the same types of information.
- **Deferral Agreement** (State Tax Form 99-1) – The deferral agreement between the taxpayer and assessors is essentially the same as the agreement used for Clause 41A deferrals (State Tax Form 97-1), but includes a provision regarding the three year maximum deferral period under Clause 18A and the taxpayer's obligation to begin repaying two years after the deferral ends.

- **Deferral Certificate** (State Tax Form 99-3) – The deferral certificate is essentially the same as the certificate issued to taxpayers for Clause 41A deferrals (State Tax Form 97-3), but has been revised to reflect the different appeal procedure that applies to the Clause 18A deferral.

Two forms of the series have been combined with Clause 41A forms used for the same purpose. These forms, which are both recorded, have a check-off for the type of deferral. These instruments also reflect recently promulgated standards for notaries public about the form and content of acknowledgements they perform. The combination forms are:

- **Lien Statement** (State Tax Form 99-2) – The statement of entry into a deferral and recovery agreement recorded by the assessors is consolidated into a single form with State Tax Form 97-2 used for Clause 41A deferrals.
- **Lien Release** (State Tax Form 99-4) – The release of rights under a deferral and recovery agreement recorded by the treasurer is consolidated into a single form with State Tax Form 97-4 used for Clause 41A deferrals.

Formats

As usual, you may decide with your vendor the paper size and color, as well as the typeset and spacing, for the forms. In addition, you may make those adaptations in format needed to generate the forms by computer. The size and spacing shown in the attached return are a result of our technical limitations and are not intended to prevent you or your vendor from developing a hard copy or computerized format that better suits your needs. In developing your formats, the primary consideration should be ease of use by taxpayers and others. **The only limitation is that you must use the exact content shown in the attachment and present it in the same order.**

Attachments

The new and revised forms are attached. Also included is a chart that describes the revisions and explains where they were made on the forms.

If you have any questions, please contact the Property Tax Bureau legal staff at 617-626-2400.

MARCH 2004 REVISIONS

FORM NAME	NUMBER	PREPARER	RECIPIENT	LAST REVISED	REVISIONS
Application for Financial Hardship Property Tax Deferral	State Tax Form 99	Taxpayer	Assessors		New form
Tax Deferral and Recovery Agreement	State Tax Form 99-1	Taxpayer	Assessors		New form
Statement of Entry into Tax Deferral Recovery Agreement	State Tax Form 97-2/99-2	Assessors	Recorded	11/92	<ul style="list-style-type: none"> Creates single form for recording notice of assessors' entry into deferral agreements under G.L. Ch. 59 §5 Clauses 18A and 41A Acknowledgement revised to reflect standards for notaries public (Executive Order 455 (03-13))
Property Tax Deferral Certificate	State Tax Form 99-3	Assessors	Taxpayer Collector		New form
Renunciation of Rights under Statement of Entry into Tax Deferral and Recovery Agreement	State Tax Form 97-4/99-4	Treasurer	Recorded	8/94	<ul style="list-style-type: none"> Creates single form for treasurer's release of lien recorded to secure deferred taxes under G.L. Ch. 59 §5 Clauses 18A and 41A Acknowledgement revised to reflect standards for notaries public (Executive Order 455 (03-13))

Date Received

Application No.

Parcel Id.

Name of City or Town

FINANCIAL HARDSHIP
FISCAL YEAR _____ APPLICATION FOR PROPERTY TAX DEFERRAL
General Laws Chapter 59 §5, CLAUSE 18A

THIS APPLICATION IS NOT OPEN TO PUBLIC INSPECTION
(See General Laws Chapter 59 §60)

Return to: Board of Assessors

Must be filed with assessors on or before December 15 or 3 months after actual (**not** preliminary) tax bills are mailed for fiscal year if later. Tax Deferral and Recovery Agreement (Form 99-1) must accompany application unless already on file and persons with interest in property remain the same.

INSTRUCTIONS: Complete all sections that apply. Please print or type.

A. IDENTIFICATION. Complete this section fully.

Name of Applicant: _____			Marital Status: _____		
Social Security No. _____ (optional)			Occupation _____		
Legal residence (domicile) on July 1, _____			Mailing address (if different) _____		
No. _____	Street _____	City/Town _____	Zip Code _____	Phone Number: (____) _____	
Location of property: _____				No. of dwelling units: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> Other _____	
Did you occupy the property on July 1, _____ and for the prior 10 years? Yes <input type="checkbox"/> No <input type="checkbox"/>					
<i>If no, list the other properties you occupied during the past 10 years.</i>					
Address _____			Dates _____		

Have you been granted any exemption/deferral in any other city or town for this year? Yes <input type="checkbox"/> No <input type="checkbox"/>					
<i>If yes, name of city or town</i> _____			<i>Amount</i> \$ _____		

DISPOSITION OF APPLICATION (ASSESSORS' USE ONLY)

Ownership <input type="checkbox"/>	GRANTED <input type="checkbox"/>	Assessed tax	\$ _____
Occupancy <input type="checkbox"/>	DENIED <input type="checkbox"/>	Deferred tax	\$ _____
Status <input type="checkbox"/>	DEEMED DENIED <input type="checkbox"/>	Adjusted tax	\$ _____
Financial condition <input type="checkbox"/>		Board of Assessors	
Date voted/Deemed denied _____		_____	
Certificate No. _____		_____	
Date Cert./Notice sent _____		_____	
Date: _____			

B. PERSONS WITH INTEREST IN PROPERTY.

Did you own the property on July 1, _____ as

Sole owner ☐ Co-owner with spouse only ☐ Co-owner with others? ☐

Was there a mortgage on the property as of July 1, _____? ☐ Yes ☐ No

If yes, name of mortgagee(s) _____

Was the property subject to a life estate as of July 1, _____? ☐ Yes ☐ No

If yes, name(s) of Remaindermen (person(s) receiving property after your death) _____

Was the property subject to a trust as of July 1, _____? ☐ Yes ☐ No

If yes, please attach trust instrument including all schedules.

C. REASON FOR HARDSHIP. Check the reason that applies and provide requested information.☐ **ACTIVATED MILITARY PERSONNEL**

☐ Initially enlisted in the armed forces.

☐ Military status changed to active duty.

Date of activation to active duty. _____ *Attach copy of orders.*

☐ **UNEMPLOYMENT**

Provide employment history over the last two years, including employer(s), dates, salaries, reasons for leaving.

☐ **ILLNESS OR DISABILITY**

Provide a detailed description of the physical or mental illness, disability or impairment.

Attach a physician's letter documenting the illness or disability.

☐ **OTHER**

Provide a detailed explanation.

D. FAMILY ASSISTANCE. Complete this section if you are receiving any financial assistance from family members.

Name	Relationship	Residence	Occupation	Wages	Assistance given
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

E. FINANCIAL STATEMENT. Complete this section fully. Copies of your federal and state tax returns and other documentation may be requested to verify your income and assets.

ASSETS		LIABILITIES	
REAL ESTATE			
Domicile value	\$ _____	Mortgage outstanding balance	\$ _____
Other value	_____		_____
PERSONAL ESTATE			
Motor vehicle values (year/make/model)	_____	Car loan balances	_____
	_____		_____
Bank account balances (bank/address/acct. #)	_____		_____
	_____		_____
	_____		_____
Other (specify)	_____	Other outstanding debts (personal loans, credit cards, etc.)	_____
	_____		_____
TOTAL	\$ _____		\$ _____
INCOME		EXPENSES	
	Monthly		Monthly
Wages & salaries -Annual \$ _____	\$ _____	Mortgage payments (including taxes)	\$ _____
Unemployment compensation	_____	Food	_____
Social Security	_____	Utilities:	
Other pension/retirement	_____	Electricity	_____
Public assistance:		Gas	_____
AFDC	_____	Heating fuel	_____
Food stamps	_____	Telephone	_____
Fuel assistance	_____	Water/sewer	_____
Other	_____	Debt payments:	
Rental income	_____	Car loans	_____
Business/professional profits	_____	Credit cards	_____
Interest/dividends	_____	Personal loans	_____
Other (specify)	_____	Fixed expenses:	
_____	_____	Car insurance	_____
_____	_____	House insurance	_____
		Other (specify)	_____
		_____	_____
		_____	_____
TOTAL	\$ _____		\$ _____

F. SIGNATURE. Sign here to complete the application.

This application has been prepared or examined by me. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief, this return and all accompanying documents and statements are true, correct and complete.

Signature

Date

If signed by agent, attach copy of written authorization to sign on behalf of taxpayer.

TAXPAYER INFORMATION ABOUT FINANCIAL HARDSHIP PROPERTY TAX DEFERRAL

FINANCIAL HARDSHIP DEFERRAL. You may be able to defer all or a portion of the taxes assessed on your domicile if you do not have the financial resources to pay them because of a change to active military service (not including initial enlistment), unemployment, illness or other type of temporary hardship. Qualifications are established locally by the board of assessors. More detailed information may be obtained from your assessors.

WHO MAY FILE AN APPLICATION. You may file an application if you owned and occupied the property as of July 1, lived in Massachusetts for at least the previous 10 years and meet all qualifications for a financial hardship deferral.

REPAYMENT. Unlike an exemption, a tax deferral simply allows you to postpone payment of your taxes. If you qualify, you must enter into a tax deferral agreement that may cover a maximum period of three consecutive fiscal years. At the end of the deferral, the deferred taxes must be paid, along with interest. You may pay the deferred taxes in five annual installments, with each installment equal to one-fifth of the total deferred taxes, plus interest on the unpaid balance. The first installment is due two years after the last year of the deferral.

Once you have entered into a tax deferral agreement, the assessors will record a statement at the Registry of Deeds. That statement continues the lien that already exists on your property by law to ensure the payment and collection of your taxes. Once the deferred taxes are repaid, the lien is released. However, if the deferred taxes are not paid, your city or town will be able to recover the amount by foreclosing on the lien in Land Court.

INTEREST. You may also apply for a hardship deferral in either or both of the next two years. If you qualify, you may defer taxes so long as the amount due, including accrued interest, does not exceed 50% of your share of the full and fair cash value of the property. Interest at an annual rate of 8% per annum is charged on deferred taxes until the property is sold, your death, or the death of your surviving spouse if a new agreement has been entered into. The interest rate then increases to 16% per annum until the deferred taxes are paid.

WHEN AND WHERE APPLICATION MUST BE FILED. Your application must be filed with the board of assessors by December 15 or 3 months after the actual bills were mailed for the fiscal year, whichever is later. **THIS DEADLINE CANNOT BE EXTENDED OR WAIVED BY THE ASSESSORS FOR ANY REASON. IF YOUR APPLICATION IS NOT TIMELY FILED, YOU LOSE ALL RIGHTS TO A DEFERRAL AND THE ASSESSORS CANNOT BY LAW GRANT YOU ONE. AN APPLICATION IS FILED WHEN RECEIVED BY THE ASSESSORS.**

PAYMENT OF TAX. Filing an application does not stay the collection of your taxes. Failure to pay the tax when due may also subject you to interest charges and collection action. To avoid any additional charges, you should pay the tax as assessed if possible. If a deferral is granted and you have already paid the entire year's tax as deferred, you will receive a refund of any overpayment. If you are unable to make your payments, inform the assessors when you file your application.

ASSESSORS DISPOSITION. Upon applying for a financial hardship deferral, you may be required to provide the assessors with further information and supporting documentation to establish your eligibility. The assessors have 3 months from the date your application is filed to act on it unless you agree in writing before that period expires to extend it for a specific time. If the assessors do not act on your application within the original or extended period, it is deemed denied. You will be notified in writing whether a deferral has been granted or denied.

APPEAL. In order to obtain a review of the assessors' decision on your application for a financial hardship deferral, you must bring a civil action in the Superior Court or Supreme Judicial Court. This action must be brought within 60 days of the decision.

This instrument must be filed for record or registration

THE COMMONWEALTH OF MASSACHUSETTS

Name of city or town

Tax Deferral and Recovery Agreement

This Agreement is made and entered into this _____ day of _____, _____
by and between the Board of Assessors (the "Assessors") of the City/Town of _____
acting on behalf of the city/town and _____ (the "Owner").

WITNESSETH

WHEREAS, General Laws Chapter 59, Section 5, Clause 18A allows qualifying property owners to defer payment of local property taxes if they enter into a tax deferral and recovery agreement with the Board of Assessors acting on behalf of the city or town; and

WHEREAS, the Owner seeks to defer payment of local property taxes on the real property described below beginning in fiscal year _____:

DESCRIPTION OF PROPERTY

(The description must be sufficiently accurate to identify the property. In the case of registered land, the certificate of the title number and the registry volume and page must be given.)

NOW THEREFORE, in consideration of the granting of a property tax deferral by the Assessors, the Assessors and the Owner agree as follows:

1. The Owner may also apply for a deferral in either or both of the next two fiscal years and if qualified, may defer taxes for those years so long as the total amount of deferred taxes, plus interest, is not more than fifty percent of the Owner's proportionate share of the full and fair cash value of the property.
2. The Owner must pay the deferred taxes, plus interest, at the end of the deferral. Payment may be made in five annual installments, with each installment equal to one-fifth of the total deferred taxes, plus interest on the unpaid balance. The first installment is due two years after the last year of the deferral.
3. The Owner will not sell or transfer the property described above unless all taxes deferred under General Laws Chapter 59, Section 5, Clause 18A have been paid together with interest at the rate set forth in that statute.
4. Upon the Owner's death, the heirs-at-law, assignees or devisees will have first priority to the property by paying in full the total amount of deferred taxes, plus interest, unless the heir-at-law, assignee or devisee is a surviving spouse who qualifies for a deferral and enters into a new tax deferral and recovery agreement under General Laws Chapter 59, Section 5, Clause 18A. If so, the deferred taxes and interest due will be added to any additional taxes that are deferred under the new agreement signed by the surviving spouse. The total amount of deferred taxes, plus interest, subject to the fifty percent limitation in Paragraph 1 will include all taxes deferred, plus interest, under both this agreement and the new agreement signed by the surviving spouse.
5. The Assessors will record a statement at the Registry of Deeds making the deferred taxes, plus interest, a lien on the property. The amount of the recording fee, if any, will be added to and become part of the deferred taxes. If the deferred taxes, plus interest, are not paid as provided in this agreement, the interest rate set forth in General Laws Chapter 60, Section 62 will apply from the date the property was sold or the Owner died, whichever is applicable, and recovery of the amount owed will be enforced as provided by law.

6. Every other person with any legal interest in the property has given written approval for this agreement. That approval is attached as Schedule A, which is made a part of this agreement.

IN WITNESS WHEREOF, the Owner and Assessors have signed this agreement on the date first written above.

Witness

_____	_____	Owner
_____	_____	Owner
_____	_____	Owner
_____	Board of Assessors of _____	
_____	_____	
_____	_____	
_____	_____	

SCHEDULE A APPROVAL

_____ Date

The following persons having a legal interest in the property described above hereby approve the execution of this tax deferral and recovery agreement.

Witness

Person

_____	_____
_____	_____
_____	_____
_____	_____

The Commonwealth of Massachusetts

_____ ss.

On this ____ day of _____, _____, before me, the undersigned notary public, personally appeared _____, (Owners) _____ (Approvers), and _____ as Board of Assessors for the city/town of _____, proved to me through satisfactory evidence of identification, which were _____, to be the persons whose names are signed on the preceding document in my presence, and acknowledged to me that they signed it voluntarily for its stated purpose.

_____ Notary Public

My commission expires _____

This instrument must be filed for record or registration

THE COMMONWEALTH OF MASSACHUSETTS

Name of city or town
Office of the Board of Assessors

Statement of Entry into Tax Deferral and Recovery Agreement

The Board of Assessors in the city/town of _____ hereby states that on the _____ day of _____, _____, it entered into a Tax Deferral and Recovery Agreement with _____ owners of the real property described below to defer taxes on that property beginning in fiscal year _____.

DESCRIPTION OF PROPERTY

(The description must be sufficiently accurate to identify the property. In the case of registered land, the certificate of the title number and the registry volume and page must be given.)

This statement made on the _____ day of _____, _____ constitutes a lien upon the property covered by that agreement as provided in General Laws Chapter 59, Section 5, Clause ☐ 18A ☐ 41A.

Board of Assessors

The Commonwealth of Massachusetts

_____ ss.

On this _____ day of _____, _____, before me, the undersigned notary public, personally appeared _____, as Board of Assessors for the city/town of _____, proved to me through satisfactory evidence of identification, which were _____, to be the persons whose names are signed on the preceding document in my presence, and acknowledged to me that they signed it voluntarily for its stated purpose.

Notary Public

My commission expires _____

Certificate No. _____

Application No. _____

Tax bill No. _____

THE COMMONWEALTH OF MASSACHUSETTS

Name of City or Town

Office of the Board of Assessors

Date**Property Tax Deferral Certificate**
Fiscal Year _____

The Board of Assessors voted on _____, _____ to allow a deferral under General Laws Chapter 59, Section 5, Clause 18A:

ON: _____
Location of property Street and number Property Identification

TO: _____
Applicant (Assessed owner if different)

Social Security No.

BOARD OF ASSESSORS

Tax Deferred \$

Total Deferral * \$

* Total deferred is the amount, with interest, that must be paid at end of the deferral. The total amount of deferred taxes, with interest, cannot be more than 50% of the owner's proportionate share of the full and fair cash value of the property.

See Reverse Side for Important Information
THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE

Your application for a deferral has been allowed under the provisions of Chapter 59 of the General Laws.

APPEALS: In order to obtain a review of the amount allowed, you must bring a civil action in the Superior Court or Supreme Judicial Court. This action must be brought within 60 days of the assessors' decision.

REFUNDS: The amount allowed will reduce any taxes outstanding on the property for the fiscal year. If you have already paid the entire year's tax, as reduced by the deferral, at the time the collector applies the deferral, you will receive a refund of any overpayment.

This instrument must be filed for record or registration

THE COMMONWEALTH OF MASSACHUSETTS

Name of city or town

Office of the Treasurer

**Renunciation of Rights under
Statement of Entry into Tax Deferral and Recovery Agreement**

All rights upon the real property described below under a statement filed for record/registration on _____ ,
_____, with the _____ Registry of Deeds, Book _____ Page _____ , Document No. _____ ,
Certificate of Title No. _____ are hereby renounced.

That statement was filed to continue, until payment, the lien on the property for taxes deferred, plus interest, under a
tax deferral and recovery agreement entered into pursuant to General Laws Chapter 59, Section 5, Clause ☐ 18A ☐ 41A
for the fiscal year(s) _____ to _____ on _____.

Name of person(s) assessed

DESCRIPTION OF PROPERTY

(The description must be sufficiently accurate to identify the property. In the case of Registered land, the certificate
of the title number and the registry volume and page must be given.)

Treasurer

The Commonwealth of Massachusetts

ss.

Date

On this _____ day of _____, _____, before me, the undersigned notary public, personally appeared
_____, as Treasurer for the city/town
of _____, proved to me through satisfactory evidence of identification, which were
_____, to be the person whose name is signed on the preceding document in my
presence, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

My commission expires _____